

New Mexico State University Property Accounting Summary

Definitions for Property – Is it a Capital Asset, a Non-Capital Asset, or Something Else?

Capital Asset: (Use the account code 78XXXX)

ALL CAPITAL ASSETS ARE TAGGED

- Movable assets/Not permanently affixed to a building
- Valued at \$5,000 or More with an expected useful life of 1 year or More
- Includes Perpetual Licensed SOFTWARE (use account code 786000)
- Includes capped subscriptions-SBITA's (Subscription-Based-IT-Arrangements greater than \$25,000 over 12 months of service use account code 786100)
- FREIGHT /INSTALLATION charges are added to the acquisition cost or value of Capital Assets
- DISCOUNTS should be deducted from the value of the Capital Asset (on PO)
- Included as an ASSET in NMSU's Financial Statements and DEPRECIATED (expensed) over Useful life

Items NOT TAGGED: (DON'T use 78XXXX or Commodity Code XX00)

THESE ITEMS ARE NOT TAGGED

- Equipment or Supplies Less than \$5,000
- Software Less than \$5,000 or non-cap Software Subscriptions

Account Codes and Commodity Codes – Why do they Matter?

Account and Commodity Code Possibilities	O-tag Created?	Cap Entry Created?
Account Code 78XXXX and Value Greater than \$5,000	Yes	Yes
Account Code 78XXXX and Value LESS than \$5,000	No	No
Commodity Code XX00 (any account other than 78XXXX)	Yes	No
Commodity Code XX99 (any account other than 78XXXX)	No	No

When an O-tag is created Property Accounting looks for an Asset to tag and add to the inventory system.

Who Owns the Asset? U-tags, F-tags, S-tags and P-tags

Is it Contractor Acquired Property (CAP) / Gov't Furnished Property/Equipment (GFP/GPE)?

U-Tags –Assets OWNED by NMSU

CAPITAL or NON-CAPITAL ASSETS

For Federally Funded Capital Assets use account code 780300; all other Capital Assets should use 780200

F, S, or P-Tags – Assets NOT OWNED by NMSU

TYPICALLY CAPITAL ASSETS (refer to specific Grant)

These assets typically have annual reporting requirements and require permission for disposal/transfer
These tags are tracked by NMSU and Inventoried, but NOT included in NMSU's Financial Statements

F-Tags – Assets OWNED by Federal Gov't - Use account code 780400

S-Tags – Assets OWNED by State Gov't - Use account code 780500

P-Tags – Assets OWNED by Private Entity - Use account code 780700

For Questions Contact: Mark Kaczmarek, Accounting Unit Manager, 646-7014 markkacz@nmsu.edu To

Request an Equipment Tag Contact: NMSU Property nmsuproperty@nmsu.edu

See also **Capital Asset Guide** <https://inside.nmsu.edu/fbs/wp-content/uploads/sites/125/2024/02/Capital-Asset-Guide-rev.-2023.pdf>